

NSP Program Management

Classifying and documenting costs

Use the appropriate NSP eligible use category – (A) – (E). Refer to Eligible Uses by Property Type for guidance (Module 1 Appendix __)

Activity delivery costs

Not part of limited “administrative” costs

Costs related to a specific activity – environmental review, appraisal, work write-up, construction oversight

Documentation of staff time for activity delivery costs

Time and Activity Report, with supporting data

Example of supporting data – daily log – “precon - 4201 Elm Street” (multifamily NSP rehab project);

Costs to be charged to Administration – A portion of the salary of staff persons overseeing the NSP-funded program (budgeting, reporting, general oversight), such as:

Review costs compared to budget

Prepare report to DOH

On-site review of a Sub-Grantee

Fund draws

Use – Request for Reimbursement NSP Program (3/15/09)

Lead time – 30 days

Expect to receive funds within 30 days of submitting a completed Request for Reimbursement

Back up documentation – purchase agreement, progress payment approval, payroll summary, HUD environmental checklist, good faith estimate.

Comment [cak1]: Need more specific examples from DOH

Comment [AOK2]: Will be covered more specifically by DOH staff on Sept 14, but I've added a bit here.

Program Income

General Principles (excerpts from Program Income Guide included as Appendix 1)

CDBG Entitlement rule applies

PI returned to CDOH for reallocation

Combination of funds – Proportional allocation of Program Income

Cash Management

PI on hand used before draw on US Treasury (see Appendix 2)

No impact on grantees

Oversight and monitoring

State Oversight Responsibilities

Project Performance Plan

Fund Draws

Financial Reports

On-site review

Grantee Oversight Responsibilities

Construction inspection

Record keeping and reporting – quality control

Sub-Grantee oversight

Reporting

Refer to Project Performance Plan

QUARTERLY FINANCIAL STATUS REPORT NEIGHBORHOOD
STABILIZATION PROGRAM

Deadlines

All funds must be “Used” – Expended or Obligated – 18 months from HUD approval

Use for the purposes of section 2301(c)(1). Funds are used when they are obligated by a state, unit of general local government, or any subrecipient thereof, for a specific NSP activity; for example, for acquisition of a specific property. Funds are obligated for an activity when orders are placed, contracts are awarded, services are received, and similar transactions have occurred that require payment by the state, unit of general local government, or subrecipient during the same or a future period. Note that funds are not obligated for an activity when subawards (e.g., grants to subrecipients or to units of local government) are made. (NSP Notice, II. A. Definitions for purposes of the CDBG Neighborhood Stabilization Program)

Colorado Use Deadline – **9/10/2010**

All funds must be “Expended” – 4 years from HUD approval

Colorado Expenditure Deadline – **3/10/2013**

Module 3 – Appendix 1 - Excerpts from NSP Program Income Guide

Colorado Neighborhood Stabilization Program

Program Income - General Principles

NSP Program Income follows the rules of the Community Development Block Grant (CDBG) Entitlement Program for program income.¹

Exclusion from definition of Program income:

“Program income does not include: Any income received in a single program year by the recipient and all its subrecipients if the total amount of such income does not exceed \$25,000;²

Grantees must track and aggregate NSP revenue (including revenue received by its Sub-Grantees) on an annual basis to determine if the exclusion applies. For the NSP, the term “program year” means the 12 months period following the NSP program start date specified by the State at the time of grant award.

When a Grantee receives NSP revenues during a program year that exceeds \$25,000, all such amounts become NSP Program Income.

NSP Funds used in combination with other funds:

Revenue derived from an activity using NSP and other funds results in NSP revenue/program income in the same proportion that NSP funds represent to the total cost of the activity.

Total Cost of Activity	\$300,000
NSP funds	\$150,000 (50% of total)
Other Funds	\$150,000

Revenue	\$250,000
NSP Program Income	\$125,000 (50% of total)

Applicable Credits

Items defined as an “applicable credit” are NOT program income. Applicable credits, as identified in this Guide, are “receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards” (2 CFR Part 225—Cost Principles For State, Local, And Indian Tribal Governments (OMB Circular A-87,

¹ 24 CFR 570.500(a) – see included text

² 24 CFR 570.500(a)(4)(i)

Appendix A. C. 4. Applicable Credits). As such, an entity that receives a credit in the implementation of an NSP activity will apply such credit to reduce its request for NSP funds.

Sub Grantees

Sub-Grantees must comply with all of the requirements for program income that apply to the Grantee

Grantees are responsible for ensuring that their Sub-Grantees understand and comply with program income rules using enforceable contract terms and appropriate oversight.

Module 3 – Appendix 2 - Cash Management Principles and Procedures

General Requirement

“Cash management. Substantially all program income must be disbursed for eligible NSP activities before additional cash withdrawals are made from the U.S. Treasury.”³

Compliance

CDOH staff will manage receipt of Program Income and processing of Grantee payment requests to ensure compliance.

Grantees will promptly transfer to the State all revenues that meet the definition of Program Income following instructions applicable to each specific type of activity.

Grantees will ensure that their Sub-Grantees promptly transfer to the State all revenues that meet the definition of Program Income.

State will record all Program Income received in the Disaster Grant Reporting System (DGRS) following DGRS procedures in addition to standard State accounting and record keeping procedures for recording Federal grant program income.

State records shall ensure a clear audit trail for all Program Income, including amounts, source (Grantee or Sub-Grantee), date of receipt, and date of disbursement.

Procedure

Grantees will use the Pay Request form (NSP version) to request NSP funds from the State and provide all required supporting documentation.

³ NSP Program Notice N. 3.

NSP will use DGRS Voucher procedures to secure NSP funds to meet cash needs for approved payment requests. The DGRS process takes into account recorded Program Income in the calculation of the amount of cash withdrawal from the U.S. Treasury.

Each NSP Voucher will show payment first from Program Income on hand (regardless of the source of the Program Income). The NSP voucher will include a cash withdrawal from the U.S. Treasury for the balance of the payment request.

Example 1:

Payment Request Approved	\$250,000
Program Income on hand	\$50,000
NSP Cash withdrawal U.S. Treasury	\$200,000
Payment Made (PI + NSP Cash)	\$250,000

Example 2:

Payment Request Approved	\$150,000
Program Income on hand	\$250,000
NSP Cash withdrawal U.S. Treasury	\$0
Payment Made (from PI)	\$150,000
Program Income balance	\$100,000